

MedAmerica Insurance Company
November 10, 2022**SERFF #s:** MILL-133176411**Filing Summary:**

MedAmerica Insurance Company requested approval to increase the premium an average of 54.2% on 198 policies from individual LTC forms 14515-PA (the 515 Series) and 14785-PA (the 780 Series). The actual request was an 80.9% increase on 79 515 Series policies with auto inflation, a 48.9% increase on 21 780 Series policies with auto inflation, and a 0% increase on 66 515 Series policies without auto inflation and 32 780 Series policies without auto inflation.

Series	Inflation Option	Requested Increase	# of Insureds
515	Non-Auto	0%	66
	Auto	80.9%	79
780	Non-Auto	0%	32
	Auto	48.9%	21

The Department approved an average 52% increase. The maximum increase is 76.9% and the minimum increase is 0%. The increases will be implemented over two years.

Effective date of rate change: Renewals on and after 10/31/2022.

The current policies in place are not generating sufficient premium to pay future claims to policyholders. This is a common problem for a number of insurers nationwide because policyholders are keeping their policies longer than expected and are living longer than projected. As a result, policyholders are using more benefits on average than the company anticipated when the policies were originally sold. This means the company has to pay out more for benefits than it originally projected.

In making this decision, the Department considered the projected loss ratio for each block of policy forms, that is, the projected total amount of benefits paid out versus the total amount of premium collected, the reasonableness of the assumptions the company used in its projections, and the company's financial situation. The Department also considered the financial impact this rate increase would pose to consumers, the past rate increases policyholders have faced, and the availability of options to limit the rate increase by reducing benefits.

The company is offering ways for policyholders to limit the rate increase by reducing benefits. The company will let you know your options when they contact you directly about this premium increase.

This Rate Filing Decision Summary is a tool to help explain the rate filing and does not describe all the factors considered as part of the Department's rate review.